



AVENUE LIVING

# AGRICULTURAL LAND TRUST

## FACT SHEET: CLASS A – ICC500A

Acres Owned:  
**37,004**

Assets Under Management:  
**\$59 million**

Target Raise:  
**\$30 million**

Avenue Living Agricultural Land Trust (the “Trust”) provides investor exposure to agricultural land in western Canada without operational exposure and seeks to achieve returns through rental revenue, capital appreciation and land improvement. The Trust business model involves investing in farmland and leasing it to farm operators for cash rent. The Trust invests in agricultural land primarily in the prairie province of Saskatchewan with a target equity raise of \$30 million for 2020/21.

### INVESTMENT STRATEGY See disclaimer

The Trust has successfully generated returns of 42% since inception (12% per annum average) due to the following pillars of its investment strategy:

#### Stable Capital Appreciation.

Canadian farmland has appreciated 8.15% from 2008 to 2018. Saskatchewan farmland has appreciated at 12.12% per annum over same period. The trailing 3 years have seen appreciation of 7.93% per annum<sup>(2)</sup>. Despite of the growth curve, Saskatchewan farmland remains the most affordable in the country while offering similar soil quality to the rest of the prairies.

#### Leverage.

Given the strength of the Avenue Living platform and the resulting access to debt, the Trust strategically maximizes the ratio of investor dollars to farmland acres. In part, this has resulted in the Trust outperforming base land value appreciation during the last three years. Current debt to value is less than 65%.

#### Active Improvements to the Asset Base.

To optimize revenue and value, the Trust works with tenants to identify projects that increase farmable acres and improve operational efficiencies. The effort of converting waste acres to cultivated acres is rewarded in revenue and value increases.

#### Ancillary Revenue.

The Trust continuously seeks additional revenue generating opportunities such as oil and gas surface lease revenue, alternative energy projects and gravel sales.

### PRICE PER ACRE BY PROVINCE <sup>(1)</sup>

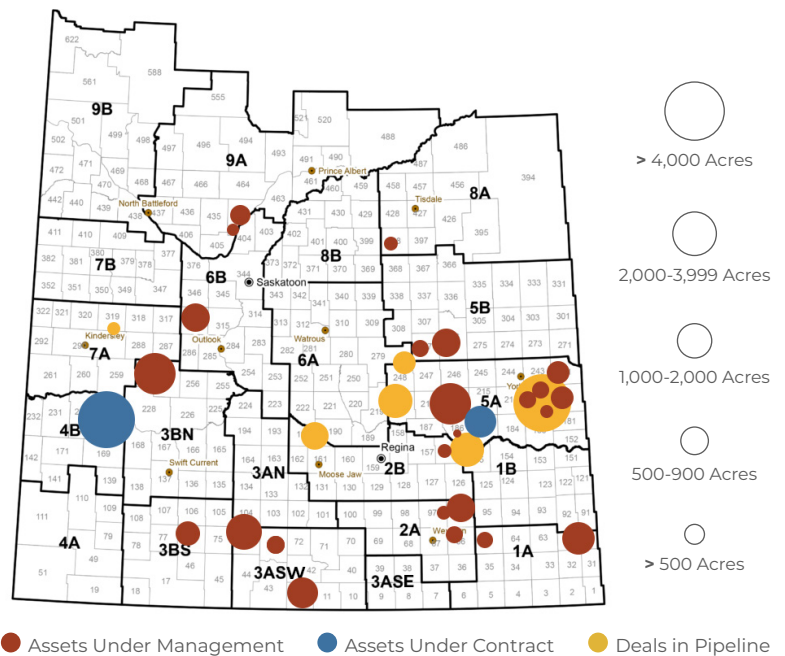
PROVINCE	ALBERTA	SASKATCHEWAN	MANITOBA
Average Price per Acre	<b>\$4,073</b>	<b>\$1,943</b>	<b>\$3,465</b>

#### Approval to Own Farmland.

Saskatchewan still commands the lowest price per acre of farmland in Canada primarily due to restrictions placed on farmland ownership by the Saskatchewan Farm Land Securities Board <sup>(3)</sup>. The Trust has obtained formal exemption from these restrictions and is permitted to raise up to \$50 million in equity to acquire agricultural acreage.

### ACRES UNDER MANAGEMENT

#### ARABLE SASKATCHEWAN



## TRUST GROWTH FROM INCEPTION

The Trust aims to achieve an average annual return of 12%.

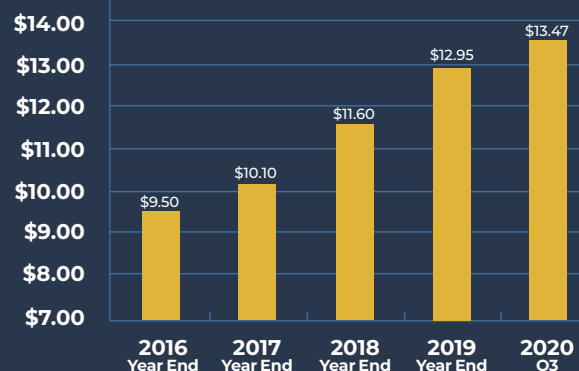
The table below shows the growth in NAV including the year-over-year returns. The maturity of the Trust is December 31, 2023.

### CLASS A – As of December 31, for Each Year

YEAR END	2016	2017	2018	2019	2020 Q3 <sup>(4)</sup>
NAV	\$9.50	\$10.10	\$11.60	\$12.95	\$13.47
Returns	N/A	6.3%	14.9%	11.6%	4.0%

Past performance is not indicative of future performance and returns cannot be guaranteed. Returns presented are net of fees.

## NAV GROWTH CLASS A TRUST UNIT



2017 - Inaugural year of operations

2018 - Established and executing on business plan

2019 - Acquisition of additional farmland and management of assets

2020 - Continued growth through COVID-19

## TRUST SUMMARY

### AGRICULTURAL LAND TRUST: CLASS A – ICC500A As of September 30, 2020

Product Type	Open-end Mutual Fund Trust – Sunset Date Dec 31, 2023
Prospectus Exemptions	Offering Memorandum (all provinces except Quebec) and Accredited (all provinces)
Maximum Offering	\$30 million
Inception Date	December 2, 2016
Maturity Date	December 31, 2023 (Manager option to extend 1 year)
Fund AUM	\$59 million
Current NAV	\$13.47 (Calculated quarterly)
Sponsor Investment	\$10 million commitment from founders and their family, friends and business associates
Minimum Investment	\$100,000
Closing Dates	Second Thursday of each month
Target Net Return	12% targeted return per annum
Waterfall	Return of capital • 8% Preferred Return to LP • Remainder split between LP and GP
Management Fees	1.0%
Acquisition Fees	2.5%
ITD MER	1.99%
Investor Restrictions	Subscribers must be Canadian citizens or permanent residents of Canada

#### DISCLAIMER

This Fact Sheet is intended for informational purposes only and does not constitute an offer to sell or a solicitation to buy securities. No securities regulatory authority or regulator has assessed the merits of the information herein or reviewed this Fact Sheet. The information contained in this Fact Sheet is summary in nature. The Trust has prepared an offering memorandum dated April 16, 2020 (the "Offering Memorandum") for delivery to prospective investors that provides more fulsome disclosure about Avenue Living's business and describes certain terms, conditions and risks of the investment and certain rights that you may have. The Offering Memorandum is available on SEDAR. Prospective investors should review the Offering Memorandum with their professional advisers before making any investment decision. The Offering Memorandum and any approved marketing materials are intended for delivery only to, and participation in the investment is restricted to, investors to whom certain prospectus exemptions apply. Please see the Offering Memorandum for a complete listing and description of the risks associated with an investment in the Trust.

#### NOTES & SOURCES

(1) Source: FCC Farmland Values Report (2019) <https://www.fcc-fac.ca/fcc/resources/2019-farmland-values-report-e.pdf> (2) Source: Statscan value per acre of farmland

(3) Source: <https://theconversation.com/canadas-farmland-is-a-wise-investment-during-and-after-the-coronavirus-138878> (4) Note: Quarterly NAV Calculations began in Q2 2020, prior to this NAV was calculated annually

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